

Dateline:

Labor & Workforce Development

A quarterly publication for employers from the Tennessee Department of Labor & Workforce Development

September 2002



New premium rates take effect

By the time you receive this *Dateline* newsletter, you should have already received your Notice of Employer's Premium Rate (LB-0482) for the rate year beginning July 1, 2002. Please make certain that the rate notice is put in the hands of the person responsible for completing your quarterly Premium and Wage Report. If your report is prepared by an outside accounting, bookkeeping, or payroll service, please make sure that you provide them with a copy.

In a piece of good news for employers, an increase in the balance in Tennessee's Unemployment Trust Fund at June 30, 2002, made it possible for us to move from Premium Rate Table 4 to Premium Rate Table 5, which means lower rates for many Tennessee employers. As reported in our last issue, a \$162.2 million infusion of funds from the federal government bolstered our state's Unemployment Trust Fund and essentially made the move to the lower rate table possible.

At the same time, the manufacturing industry has for the first time joined the

construction and mining industries as being subject to a new employer rate other than the standard rate of 2.7%. At June 30, 2002, cumulative unemployment benefits charged to those companies that make up the manufacturing industry significantly exceeded the cumulative amount of premiums paid in by manufacturing companies. Whenever that is the case, the new employer premium rate computed for an industry will be higher, as required by the provisions of the Tennessee Employment Security Law.

The new employer rates for the rate year beginning July 1, 2002, and ending June 30, 2003 are as follows:

Construction	7.0%
Manufacturing	6.5%
Mining	10.0%
All others	2.7%

Benefit crossmatch is savings for employers

On a quarterly basis, the Benefit Payment Control (BPC) Unit conducts an automated wage/benefit crossmatch. This audit entails matching the benefit history files of persons who have received unemployment against Tennessee employer wage reports. If an employee has \$300 or more in earnings and has received benefit checks in two or more weeks during the same quarter, then an audit card will be generated by computer and mailed to the employer.

It is imperative to BPC operations that the audit cards are filled out properly and returned as quickly as possible in the Business Reply Envelope provided. Information received from the audit cards is used to determine whether there has been a possible overpayment of benefits. If an overpayment is established,

the employer(s) in the base period receives a credit for the charges against their employer account either automatically when the overpayment is set up or after all of the overpaid benefits are collected.

The employer's assistance in returning the audit cards contributed greatly in helping BPC collect an average of \$4.5 million dollars per year over the past five years. All overpayments recouped are restored to the Trust Fund and ultimately positively impact both the premium rate tables and the employer's experience rating.

Should you have any questions regarding the audit card process or wish to report unemployment fraud, please contact the **Central Office BPC** at **(615) 741-2606**.

Routing Box

- ☐ Personnel Director
- ☐ Manager
- ☐ Payroll Officer
- ☐ Other

Taxable wage base reminder

When preparing your quarterly S.U.T.A. report remember that you only pay premiums on the first \$7,000 paid to each employee in the calendar year. You do, however, report the total wages paid to each employee in the quarter.

Please see your employer handbook, the June 2002 issue of *Dateline* at <http://www.state.tn.us/labor-wfd/dateline/2000/index.html>, or the instructions on the back of your premium report for more information on taxable wages.

Workers' Comp has new Web site

The Workers' Compensation division of the department has a new Web site that can be accessed at www.state.tn.us/labor-wfd/wcomp.html. The re-designed site is attractive and user friendly.

New to the site are a workplace injury link for employers, a publication page with TCA and Rules and Regulations, and a mission profile and history of the division. Frequently asked questions are presented in a more usable format, i.e., are listed by category. Also, forms that are used often can be easily selected from a dropdown box and downloaded.

Helpful tax payment information

State Unemployment Insurance (SUTA)

Due Quarterly

Payment by check:

TN Dept of Labor and Workforce Development
P.O. Box 101
Nashville, TN 37202-0101

Payment by ACH Credit:

www.state.tn.us/labor-wfd/esdiv.html

- Employer Services
- Premium Reporting
- ACH Payment

Point of Contact:

Pat Howell
615-741-2346
1-800-741-8337

Federal Unemployment Insurance (FUTA)

Due Annually by January 31

Payment by check:

Internal Revenue Service
3131 Democrat Road
Memphis, TN 38110

Web site

www.irs.gov
1-800-829-1040

Sales Tax

Due date determined by tax type

Mailing address:

TN Department of Revenue
Tax Payer Services
Address is determined by tax type

Web site

www.state.tn/revenue

Point of Contact:

Maria Kaihani
741-5876
1-800-829-1040

Check out these Web sites

The Tennessee Department of Labor and Workforce Development's Web site at www.state.tn.us/labor-wfd contains an abundance of information valuable to Tennessee employers. On our home page you will see the latest news of interest to employers as well as a link to information on the Tennessee Career Center System.

☞ A click on **Employer Services** will provide you with additional choices, such as Labor Market Information, Labor Standards, TOSHA, Workers Comp, and Unemployment Insurance.

☞ Selecting **Unemployment Insurance** will connect you to the Web site for the Employment Security Division, where you will find information on such topics as wage and premium reporting, benefit charges, answers to frequently asked questions, and even a copy of our Employer Handbook.

☞ Among the **Useful Forms** available for viewing and printing are the Report to Determine Status/Application for Employer Number, Claim for Adjustment or Refund, Application for Transfer of Experience Rating Record, Joint

Low Earnings and Claim for Benefits for Partial Unemployment, Separation Notice, and Mass Separation Notice.

Another Web site that we believe many Tennessee employers will find useful is operated by the Tennessee Department of Economic and Community Development and can be accessed at www.soundsgood.org.

A quick click on **Business Support Programs** will present you with choices for information on starting or expanding a business, business assistance, and business taxes. We encourage you to give their Web site a look as well.

Numbers

TN unemployment rate (July 2002) 4.9%
TN unemployment rate (July 2001) 4.5%

US unemployment rate (July 2002) 5.9%
US unemployment rate (July 2001) 4.6%

UI trust fund (July 2002 - estimated) \$685.3 million
UI trust fund (July 2001) \$771.4 million

WOTC Note

During the current Federal Fiscal Year, we have seen an increase of 12 percent in employers requesting tax credits over the same period last year. This could be seen as an indicator that the economy is recovering

The Tennessee Department of Labor & Workforce Development is an equal opportunity employer. Auxiliary aids and services are available upon request to individuals with disabilities.

El Departamento del Trabajo y Desarrollo de la Fuerza Laboral de Tennessee es un patrono que ofrece igualdad de empleo. Ayudas auxiliares están disponibles para individuos con impedimentos.



Dateline: Labor & Workforce Development



Tennessee Department of Labor & Workforce Development; June 2001; Pub. Auth. No. 337226; 115,000 copies. This public document was promulgated at a cost of \$.04 per copy.

Don Sundquist
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